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3 November 1950

MEMORANDUM FOR: Assistant Director, ORE

SUBJECT: Appraisal of Foreign Economic Intelligence Requirements, Facilities and Arrangements Related to the National Security

- REFERENCES:
- (a) Memorandum from the Executive Secretary, NSC, to the DCI, dated 3 March 1950, subject as above.
 - (b) Paper entitled, "Specifications for a Survey of United States Governmental Agencies Engaged in Foreign Economic Activities".
 - (c) Paper entitled, "Foreign Economic Intelligence Requirements Relating to the National Security," dated 11 October 1950.

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1. This memorandum is furnished for the purpose of recording the general sense of the recent conversations between members of COAPS and [REDACTED] concerning CIA implementation of the NSC directive transmitted by Reference (a). Under this directive, we are required to undertake (1) a study which is specifically defined, followed by (2) the submittal of a plan for the coordinated production of economic intelligence.

The Study

2. The first step in the accomplishment of the study, as defined by the directive, is to collect and compile information of the following:

- a. The overall economic intelligence requirements of the Government, classified by types of support required and by subject matter, but not by user;
- b. The specific needs of the departments and agencies of the Government for intelligence support, in terms of the captions under which the overall economic intelligence requirements are broken down, and related to the policy-making or operating functions of the departments and agencies.
- c. The "facilities and arrangements currently employed for meeting" economic intelligence requirements, or in other words, the existing economic intelligence mechanism.

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3. Reference (c) is satisfactory to be employed as the basis for stimulating agency collaboration in the collection of the information mentioned in Paragraph 2a. Reference (b) is satisfactory in the same sense relative to the information mentioned in Paragraphs 2b and 2c.

4. The study proper should consist of an assessment of the adequacy of the present economic intelligence mechanism against the specific needs of the departments and agencies of the Government, expressed as described in Paragraph 2b. The assessment should be followed by our recommendations for improvement of the mechanism. These recommendations should be designed to correct not only deficiencies of production and collection, but of dissemination as well.

The Plan

5. Following completion of the study, we are required "to prepare for Council consideration and action a comprehensive plan for satisfying the foreign economic intelligence requirements of the national security and for a coordinated interagency effort to this end based on a definite allocation of responsibilities among the agencies concerned." The plan must obviously be tied in with our recommendations for improvement of the existing intelligence machinery to be contained in the study. Furthermore, the plan should be produced in the spirit that it is but one phase of an overall plan for production.

Procedure

6. Reference (a) directs CIA to undertake the study "in collaboration with the Government agencies concerned." By implication, this instruction applies also to the preparation of the plan. In the light of this instruction, COAPS believes that the interested agencies should be utilized in the actual preparation of both the study and the plan. Thus, the proper procedure is for CIA to prepare preliminary drafts of the various elements of the eventual comprehensive paper, and to disseminate them to the interested agencies as stimuli to obtain their contributions. Since these drafts are in effect only bases for further action, we should not ask for the approval of the DCI prior to their dissemination, nor should they be dispatched to agency heads. As for the departments and agencies containing "IAC agencies", we should utilize the Standing Committee to obtain action. For the "non-IAC agencies", our designated liaison contacts will serve.

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7. After appropriate amendment of each of these preliminary drafts, we should offer an improved draft for consideration by the agency heads. (Agency heads: The IAC members, acting for their departments or independent agencies as a whole; the secretaries or separate agency heads for the "non-IAC agencies", the components of the Department of Defense not containing "IAC agencies" being considered severally.) Each of these improved drafts should represent a coordinated CIA position, to which all interested offices and staffs have contributed, but we should not ask for the approval of the DCI in any case until we have produced final drafts in the preparation of which the attitudes of the agency heads have been taken into account. Where attitudes are expressed which we cannot accept, we may have to consider recommending the attachment of dissents.

Time-Table

8. COAPS believes that the element of time has become very important in this matter, due to the length of the period that has elapsed since our receipt of the NSC directive. For this reason, it is believed that we should establish a schedule for the completion of both the study and the plan. We offer the enclosed time-table as a goal.

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JAMES Q. REBER, Chief
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Enclosure:
Time-Table

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